

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 897 - SB 1636

March 15, 2011

SUMMARY OF BILL: Expands the meaning of “sale directly from a farmer or nurseryman” to include the sale of farm or nursery products sold directly from a farmer to a consumer at any location that is not subject to regulation under the Retail Food Store Inspection Act of 1986, for the purpose of exemption from sales tax on agricultural products. Expands the meaning of “farm or nursery products” to include fruits, vegetables, nuts, grains, fungi, and cured and uncured meats that are prepared on the farm derived from livestock or poultry raised by the farmer, for the purpose of exemption from sales tax on agricultural products. Includes “nonpotentially hazardous foods,” as defined in Tenn. Code Ann. § 53-8-117, in the definition of “farm or nursery products,” for the purpose of exemption from sales tax on agricultural products.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Revenue, this bill clarifies that sales tax does not apply to the sale of agricultural products when sold directly from a farmer to a consumer. The Department indicates there is no revenue impact as a result of this bill.
- Based on information provided by the Department of Revenue, essentially all of the farm and nursery products which this bill addresses are exempt from state and local sales tax under current law.
- No fiscal impact to state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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